

Press Release for Immediate Circulation

Development Credit Bank Ltd. (DCB), announces Third Quarter FY 2011 Results

DCB declared Q3 FY 2011 Net Profit of Rs. 8.17 Cr. in comparison, Q3 FY 2010 had Net Loss of Rs. 18.09 Cr.

The Net Profit for nine months ended December 31, 2010 was Rs. 10.08 Cr. as compared to the Net Loss of Rs. 70.29 Cr. for nine months ended December 31, 2009.

As compared to the same period last year, Deposits grew by 26% and reached Rs. 5,651 Cr. while Advances grew by 26% and stood at Rs. 3,956 Cr.

Capital Adequacy was strong at 13.39% under Basel II.

January 18, 2011, Mumbai: The Board of Directors of Development Credit Bank Ltd. (BSE: 532772; NSE: DCB) took on record the limited reviewed results for the third quarter (Q3 FY 2011) at its meeting in Mumbai on January 18, 2011.

Mr. Murali M. Natrajan, MD & CEO said, "Our plan is to keep improving the Bank's performance every quarter and strengthen its Balance Sheet in the coming months. This can enable us step up the growth rate while focusing on secured lending and low cost deposits."

Mr. Nasser Munjee, Chairman DCB stated, "We are back on track. We will continue to operate cautiously and keep building on the progress we have achieved so far."

DCB Highlights:

- (a) DCB reported Net Profit of Rs. 8.17 Cr. in Q3 FY 2011 as against Net Loss of Rs. 18.09 Cr. in Q3 FY 2010.
- (b) The Bank's Net Profit for nine months ended December 31, 2010 is Rs.10.08 Cr.
- (c) As on December 31, 2010, the Balance Sheet was at Rs. 6,989 Cr. as against Rs. 5,701 Cr. as on December 31, 2009 and Rs. 6,939 Cr. as on September 30, 2010
- (d) Retail Deposits (Retail CASA and Retail Term Deposits) continued to show good results. Retail Deposits were at 79.0% of Total Deposits as on December 31, 2010 as against 83.9% as on December 31, 2009 and 78.7% as on September 30, 2010
- (e) CASA ratio as on December 31, 2010 stands at 33.1% as against 38.1% as on December 31, 2009 and 34.6% as on September 30, 2010
- (f) Net Advances grew to Rs. 3,956 Cr. as on December 31, 2010 from Rs. 3,138 Cr. as on December 31, 2009 and Rs. 3,840 Cr. as on September 30, 2010
- (g) Net Interest Margin for Q3 FY 2011 stands at 3.13% as against 2.61% for Q3 FY 2010 and 3.14% for Q2 FY 2011

- (h) Capital Adequacy Ratio (CAR) remained strong at 13.39% as on December 31, 2010 with Tier I at 11.13% and Tier II at 2.26% under Basel II
- (i) Provisions for Q3 FY 2011 substantially reduced and were at Rs. 13 Cr. as against Rs. 26 Cr. in Q3 FY 2010 and Rs. 16 Cr. in Q2 FY 2011

DCB Results for the Quarter ended December 31, 2010

Rs. Cr.	Q3 FY 2010-11	Q3 FY 2009-10	Q2 FY 2010-11
Interest Income	140	109	128
Interest Expense	91	76	82
Net Interest Income	49	33	46
Non Interest Income	26	26	27
Total Income	75	59	73
Operating Expenses	(54)	(51)	(52)
Operating Profit/(Loss)	21	8	21
Provisions	13	26	(16)
Net Profit After Tax	8	(18)	5

Key Balance Sheet Parameters

Rs. Cr.	December 31, 2010	December 31, 2009	September 30, 2010
Total Assets	6,989	5,701	6,938
Deposits	5,651	4,482	5,495
Advances	3,956	3,138	3,840
Investments	2,177	1,701	2,097
Shareholders Equity	609	607	600
Gross NPA Ratio	7.07%	11.05%	7.61%
Net NPA Ratio	1.30%	4.35%	1.86%
Coverage Ratio	84.73%	63.42%	79.64%
CASA Ratio	33.10%	38.14%	34.57%

About DCB

DCB is a modern emerging new generation private sector bank with 80 branches across 10 states and 2 union territories. It is a scheduled commercial bank regulated by the Reserve Bank of India. It is professionally managed and governed. DCB has contemporary technology and infrastructure including state of the art internet banking for personal as well as business banking customers.

DCB's business segments are Retail, micro-SMEs, large SMEs, mid-Corporate, Microfinance Institutions (MFI), Agriculture, Commodities, Government, Public Sector, Indian Banks, Co-operative Banks and Non Banking Finance Companies (NBFC). DCB has approximately 450,000 customers.

DCB has deep roots in India since its inception in 1930's. Its promoter and promoter group the Aga Khan Fund for Economic Development (AKFED) & Platinum Jubilee Investments Ltd. holds over 23% stake. AKFED is an international development enterprise. It is dedicated to promoting entrepreneurship and building economically sound companies. It has around 150 companies and employs over 30,000 people with a turnover of approximately US\$ 2 Bn. AKFED had co-promoted HDFC in India in the late 70's.

For more details please visit www.dcb.com & <http://www.akdn.org/akfed>

Kindly direct your enquiries to:

Gaurav Mehta, Marketing & PR Development Credit Bank Limited Cell phone: +91 9870432101 Landline: +91 22 66187000 extn: 7042 Email: gauravm@dcb.com	Sneha Avasthy Adfactors PR Cell phone: +91 9820883765 Landline: +91 22 2281 3565 Email: Sneha.avasthy@adfactorspr.com
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